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# Congress and International Defense Cooperation Agreements

By

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## THE ISSUE

In the area of international cooperative weapons agreements—whether they be to sell weapons or to codevelop and coproduce them with our allies—the Congress now plays a very significant role in reviewing and possible overturning negotiations completed by the Department of Defense. No multinational program manager can afford to ignore this Congressional oversight authority as he or she plans and conducts negotiations with allied military establishments.

While we tend to think of Congress as involving itself primarily in the sale of arms and weapons, its statutory review powers extend as well to memoranda of understanding (MOUs) where U.S. weapons, equipment, or technology are transferred to foreign governments. Memoranda of understanding are formal written arrangements between governments setting forth the conditions under which they intend to cooperate in given areas, and are to be contrasted with Letters of Offer and Acceptance (LOAs) used in Foreign Military Sales (FMS).

Congressional review powers over MOUs can and will be exercised not only when military aspects of our national security are considered on Capitol Hill, but also when economic or political aspects catch the attention of members of Congress. In addition, since 1985 the Congress has mandated that the Department of Defense shall reduce weapons costs and duplication by developing arms in concert with our NATO allies. This requires a greater number of multinational negotiations by DOD officials and gives Congress another basis for oversight as it reviews compliance with this directive.

This article explores the basis for Congressional oversight of international technology transfers, how that oversight is exercised, and what factors attract special Congressional attention.

## BACKGROUND

Throughout our nation's history, Congress has displayed different levels of interest in trying to control foreign arms sales and transfers of weapons technology. In the 1920s and 1930s Congress became very active in this area, passing the Neutrality Acts in an attempt to keep America out of involvement in foreign wars. Following World War II, in an era of bipartisan foreign policy, Congress deferred to the President on these issues. In 1974, however, the continuation of the Vietnam conflict convinced Congress to enact legislation that would allow for increased Congressional participation in the formulation of U.S. foreign military sales policies. By amending the Foreign Assistance Act of 1961 and the Foreign Military Sales Act (later broadened and included in the 1976 Arms Export Control Act), Congress was able to effectively monitor and, if deemed necessary, regulate such sales.

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Monitoring was accomplished by requiring the President to notify the House Foreign Affairs Committee and the Senate Foreign Relations Committee of any impending "major arms sales" to a foreign state. Regulation was provided by permitting the Congress to legislatively bar any major arm sales, or any commercial licensing agreements with non-NATO countries. The term "major arms sales" is now defined as a sale of major defense equipment valued at \$14 million or more, or total sales of defense equipment/defense services of \$50 million or more.

To regulate these sales, Congress, prior to 1983, could pass *concurrent* resolutions that served as "legislative vetoes." If passed by a simple majority of both houses, such a resolution (which did not require the President's signature) would prohibit any sale with which the Congress did not agree. Although Congress never successfully exercised this "veto," the existence of such legislative authority allowed it to become entrenched in the process of determining the recipients of U.S. arms sales and technology transfers. The threat of a "legislative veto" on more than one occasion caused the President to alter the contents of an arms sales package negotiated by the Department of Defense.

### THE ARMS EXPORT CONTROL ACT AND THE *CHADHA* CASE

In 1983, the Supreme case ruled in the case of *INS v. Chadha* that legislative vetoes were unconstitutional. Although the case itself dealt with a provision of immigration law, the impact on the Arms Export Control Act was great because it meant concurrent resolutions could no longer be used to veto sales of arms to foreign states. Congress, therefore, has been forced to rely upon *joint* resolutions of disapproval as its main recourse against Executive Branch decisions to sell U.S. arms or to transfer technology abroad. The Arms Export Control Act was amended in 1986 to reflect this change. A joint resolution requires Legislative and Executive Branch power sharing: it needs a Presidential signature to become law. Consequently, such a resolution is susceptible to Presidential veto, which would then require a 2/3 majority of both the Senate and House of Representatives to be overridden.

### CONGRESSIONAL REPORTING REQUIREMENTS

Under the provisions of the Arms Export Control Act of 1976, as amended, separate reporting requirements are imposed on the Department of Defense for proposed individual foreign military sales and leases of defense articles or services, which are conducted by LOAs; transfers to third countries of U.S. defense articles from countries which originally purchased these items; and for proposed individual codevelopment agreements made under MOUs. When a sale is transacted through a commercial technical assistance or manufacturing licensing agreement with a non-NATO country, the State Department does the reporting, as it also does for all direct commercial sales (i.e., non-FMS) of U.S. defense articles and services to any foreign government.

An additional reporting requirement added by Congress in 1989, orders the Department of Defense to report annually on March 1st the status of *all* existing MOUs, and a description of every *proposed* MOU for which funding has been requested in that year's Department of Defense budget request to Congress.

In the case of foreign military sales and leases (FMS), the President is required to give the Speaker of the House (for the House Foreign Affairs Committee) and the Chairman of the Senate Foreign Relations Committee a detailed outline of most—but not all—proposed sales or leases of defense articles or services. Reporting is required only if the agreement involves foreign military sales of major defense equipment valued at \$14 million or more or total sales of \$50 million or more. In practice, notification has been given to four additional Congressional committees as well: the House and Senate Armed Services Committees, and the House and Senate Appropriations Committees.

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When reporting is required, the notification is to be given after negotiations have been completed between the relevant departments of the Executive Branch and the foreign government, but 30 days before the negotiated agreement is formally offered to the foreign government. However, if the sale is to a NATO ally, Japan, Australia, or New Zealand, then notification may come only 15 days before implementation. In order to ensure that Congress has sufficient time to review the proposed sale, the Department of Defense informally provides advance notification to Congressional committees 20 days before the formal notification, except in the case of sales to NATO allies, Japan, Australia, or New Zealand.

Memoranda of Understanding to create *codevelopment* arrangements, if entered into under the terms of the Arms Export Control Act, must be reported in every case by the Department of Defense to the Speaker of the House (for the House Foreign Affairs Committee), the Senate Foreign Relations Committee, and the Senate Armed Services Committee, at least 30 days before the agreement goes into effect. This reporting language was contained in the so-called Nunn-Quayle amendments added to the statute in 1985-86. The same amendments permit the President to enter into "cooperative project agreements" with NATO allies or friendly foreign countries. These amendments also define the term "cooperative project" and set forth the requirements for such agreements.

In the case of *coproduction* arrangements for weapons systems in our defense arsenal, Congressional reporting requirements are not clearly set forth in the statute; the Department of Defense has been treating such arrangements like major FMS arms sales, and reporting them on the same basis. Coproduction agreements, thus, are reported to Congress if they: (1) involve sales of major defense equipment valued at \$14 million or more; (2) add up to a total sale of \$50 million or more; or (3) may be implemented through commercial, technical, or manufacturing licensing agreements with non-NATO countries.

If Congressional opposition is to be raised to the implementation of these sales, leases, third country transfers, or cooperative projects, it must start by having a Senator or Member of the House introduce a joint resolution of disapproval in his or her chamber. Such a resolution would be considered first by the House Foreign Affairs Committee or the Senate Foreign Relations Committee. However, failure of either Committee to approve it would not preclude the full House or Senate from passing the resolution. And in the case of foreign military sales of major defense equipment, special procedures have been established by statute to expedite Congressional action in each House within 30 days of a joint resolution of disapproval. The important factor to remember is that issues seeming quite unrelated to the negotiation may be viewed on Capitol Hill as justification for blocking the sale, lease, or cooperative development/production project. And if the Congress chooses to enact legislation barring such a project from continuing, the 30 day "clock" is irrelevant: as discussed below, such a project can be stopped even after it has begun.

Beyond the Congressional role in overseeing foreign arms sales, leases, third country transfers, and cooperative agreements, the legislature additionally has the power not to fund or to reduce funding for projects that have already been agreed to by the President in prior consultation with the Congress, in the name of the United States. Since Congress ultimately has the power over all Federal Government appropriations, there is always the possibility that Congress will refuse to fund projects, even after they have begun. Because Congress is sensitive to the harm that could follow a renegeing on U.S. commitments, it remains an exception for it not to fund a project where a Memoranda of Understanding has been reached and has been accepted by Congress. Yet, there are some indications that this may be changing. In the 1989 Conference Report to accompany HR 3072, the Department of Defense Appropriations Act of 1990, a list of ten international programs were identified to be withheld from receiving "NATO research and development funds." There were no real surprises on this list, as these programs, for a variety of reasons, were not considered as viable candidates for completion. However, zeroing of domestic funding for the Army's 155mm autonomous precision guided munitions program resulted in a

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cancellation of this multinational program, even though Nunn Amendment funds were still available.

## ARMS SALES—THE POLITICS

A good example of this legislative oversight process at work is the Saudi Arabian arms deal of 1986. Under the original agreement, the Reagan Administration intended to sell 1666 Sidewinder air-to-air missiles, 100 Harpoon air-to-sea missiles, 200 Stinger ground-to-air missiles, and a number of F-16 fighter jets, wing tanks, and helicopter gunships to Saudi Arabia. After the Administration informally notified Congress of the agreement, intense opposition emerged in both Houses due to a perceived threat to Israeli security posed by the sale of high technology weapons to any Arab state. While the administration viewed this arms sale package as necessary to strengthen the security of a major Middle East ally, the very different way Congress viewed this sale caused the rethinking and renegotiation of an arms package by the Executive Branch in order to avoid having the Legislative Branch kill the sale altogether. When the President submitted the formal notification, he dropped everything from the agreement except for the various missiles, but there continued to be opposition on Capitol Hill.

On May 6-7, 1986, both the House and Senate passed a joint resolution of disapproval by wide enough margins to achieve a 2/3 majority should the President veto the resolution. While the President proceeded to exercise his veto, he then told Congress he no longer intended to include the 200 Stinger ground-to-air missiles in the arms sales package. This tactic made the proposal more politically acceptable to its opponents and created an atmosphere conducive to compromise. On June 5, 1986, the Senate vote to override the President's veto failed by one vote to get the 2/3 vote required, thus allowing the sale, as revised, to take place.

A contrasting example of the legislative oversight process at work was a 1989 proposed arms sale, also to Saudi Arabia. On October 11th, the Bush Administration informally notified Congress that it planned to sell the Saudis 315 M1A2 Abrams tanks worth an estimated \$3 billion, thus beginning a 20-day informal notification period that was followed by a 30-day formal period during which Congress could have stopped the deal if a sufficient majority in the House and Senate opposed it. Unlike the 1986 Saudi arms sale, there was little opposition to this sale from Israel's supporters. In part this was because tanks are not as likely to fall into the hands of terrorists as are Stinger missiles.

But another reason for the lack of opposition in Congress was the way the Bush Administration approached the Legislative Branch prior to the required notification. While President Reagan complained that required Congressional involvement was onerous and unduly inhibited Executive Branch conduct of foreign policy, President Bush smoothed the way for his proposals by extensive Congressional consultation. His administration spent months working up its case for the Saudi tank sale, ending with two weeks of intensive discussions with the Congressional leadership and 25 or so key Hill players. The President's representatives emphasized that forty States would reap hundreds of millions of dollars of business and thousands of man years of employment. The Bush team even held up the informal notification for five weeks in order to complete the process of advance consultations. While this detailed involvement of Congress in the preliminary stages of the negotiations goes far beyond the minimum requirements under the law, the effort by the Administration to work closely with Congress in order to avoid confrontation turned out to be highly successful. No action was taken or even proposed by the Congress to oppose the 1989 tank sale to Saudi Arabia. [Editors Note: see "U.S. Sale of Abrams Tanks To Saudi Arabia," *The DISAM Journal*, Winter 1989/90, pp. 50-54.]

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## THE COMMERCE DEPARTMENT ROLE

In the FY 1989 Defense Authorization Act, the Congress added some further requirements which must be met before the Department of Defense can enter into international Memoranda of Understanding "relating to research, development, or production of defense equipment." These new requirements involve additional studies by DOD and advance consultation with the Department of Commerce.

First, in the negotiation and renegotiation of any international MOU, the Secretary of Defense must consider the effect of such an MOU on the "defense industrial base of the United States" . . . , regularly solicit and consider information or recommendations from the Secretary of Commerce with respect to the effect" of such an MOU on our industrial base. In order to perform the required study, the Defense Department has established a "defense industrial base office" to develop and propose plans for the maintenance and fostering of defense industrial readiness in this country. And either through this office, or by other means, the Secretary of Defense must consider the impact on the industrial base of each major defense acquisition program as well as every Memoranda of Understanding with a foreign country.

Secondly, the law provides for consultation with the Secretary of Commerce when a Memoranda of Understanding with a foreign government requires a transfer of technology in connection with a contract subject to an *offset* arrangement. "Offset arrangements" are agreements, made as a condition of a sale in which the purchasing government receives United States technology or investment funds, or when foreign items are purchased by U.S. contractors or the USG, to offset or reduce the cost to the recipient of the U.S. defense product being purchased. Offset arrangements are integral parts of virtually all coproduction agreements, but are not necessarily included in all codevelopment agreements.

Memoranda of Understanding with offset arrangements are barred by the FY 1989 Act if their implementation would significantly and adversely affect the defense industrial base of the United States and would result in a substantial financial loss to a U.S. firm. The only exception would be where the Secretary of Defense determined, in consultation with the Secretary of Commerce and the Secretary of State, that the agreement would strengthen the national security of this country, and so certify to the Congress. [For a statement of current USG policy on offsets, see "Presidential Policy on Offsets in Military Exports" elsewhere in this issue.]

Thirdly, provision was made for U.S. firms to protest whenever they are required by an MOU to transfer defense technology to a foreign country. Such firms may insist that the consequences of such a transfer would be to adversely affect our defense industrial base or result in a financial loss to the firms. Once again, the Secretary of Defense would have to consult with the Secretary of Commerce (and the Secretary of State), before deciding upon the validity of these claims.

The authority of the Department of Commerce over technology transfers was strengthened in the Defense Authorization Act for FY 1990 and FY 1991. Congress directed the Secretary of Defense to "regularly solicit and consider comments and recommendations from the Secretary of Commerce with respect to the commercial implication of such memorandum of understanding and the potential effects of such memorandum of understanding or related agreements on the international competitive position of United States Industry" (10 U.S.C. Sec 2504).

In addition, an interagency review procedure has been established. The purpose for this review is to provide the Department of Commerce and industries in the United States, particularly those related to defense, with a means of challenging MOUs or other agreements made by the Department of Defense. If the Department of Commerce has reason to believe that an existing or proposed agreement has, or threatens to have, "significant adverse effects on the international

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competitive position of the United States industry," the Secretary may now request such an interagency review. If, after such a review, the Secretary determines that the "commercial interests of the United States are not served . . . the Secretary shall recommend to the President the renegotiation [or modification] of the existing memorandum or related agreement . . . to ensure an appropriate balance of interests." If the President agrees with the view of the Secretary of Commerce, the MOU may not be entered into nor implemented.

## THE NUNN AMENDMENT

In the Department of Defense Authorization Act for FY 1986, enacted into law on November 8, 1985, Senator Sam Nunn (D-GA) inserted an amendment that urged and requested both the President and the Secretary of Defense to "pursue diligently opportunities for member nations of NATO to cooperate in research and development on defense equipment and munitions," as well as in "the coproduction of conventional defense equipment." Money was set aside in the act to fund the initiation of such cooperative projects; and, in order to further pursue this objective, the Department of Defense was required to consider a cooperative research and development project at program initiation and at subsequent formal development milestones. In effect, the amendment forced DOD to justify for each new defense equipment project why it was not seeking to structure a cooperative development program with one or more NATO allies. Finally, the amendment added that it was the sense of Congress that DOD should do more side-by-side testing of U.S. conventional defense equipment being developed against existing equipment manufactured by other member nations of NATO. A second Nunn Amendment, passed the following year, extended the reach of these provisions to "major non-NATO allies" as well.

The clear implication of the 1985-86 legislation was to signal Congressional enthusiasm for joint development and joint production of defense equipment among the U.S. and its major allies. The preamble to the 1985 statute underscored this by noting that a major reason why the Warsaw Pact nations have produced and deployed many more major combat items in recent years than have the members of NATO is because of, "inadequate cooperation among NATO nations in research, development, and production of military end-items of equipment and munitions."

In *The Annual Report to the Congress for FY90*, the Secretary of Defense reported that as of January 1989, 17 Nunn Amendment projects existed with signed Memoranda of Understanding. Since then, the number has risen to 35, according to informal sources within the Office of the Secretary of Defense. According to the Deputy Under Secretary for Industrial and International Programs, it is planned that more than \$10 billion will be spent on Nunn Amendment projects by the United States and its allies over the next five years. Congressionally-mandated requirements for technology transfers thus have been acceded to by the Department of Defense. Consequently, the Department reacted with some surprise when a similar kind of cooperative project, undertaken in 1988 with Japan, met with furious opposition on Capitol Hill.

## THE FSX PROPOSAL AND TECHNOLOGY TRANSFERS

While Congress has exhibited a desire to promote "Rationalization, Standardization, and Interoperability (RSI)" of military equipment through technology sharing, as stated in the Nunn Amendment, it is also driven by the need to protect this nation's industrial base. Nothing demonstrates the importance of this factor on Congressional oversight of technology transfers more clearly than the recent controversy surrounding the FSX fighter agreement with Japan. The President's proposal called for the codevelopment and coproduction by the United States and Japan of a Fighter Support Experimental (FSX) jet to be based upon the U.S. F-16C, manufactured by the General Dynamics Corporation. Congressional opposition arose over the relative economic and military benefits each country would gain from the proposed program.

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A principal concern of critics of the FSX program was that it would allow Japanese companies to gain access to American technology at a relatively low cost and would enhance their ability to compete in the aerospace industry, one of the last strongholds of American high technology. According to the Office of the United States Trade Representative, Japan has used similar agreements in the past to undermine the U.S. advantage in the electronic and automotive industries. As Senator Alan Dixon (D-IL) stated on May 1, 1989, the deal was "one-sided and so utterly outrageous that I'm astonished that the Administration is trying to get away with it." Critics such as Dixon argued that the technology that the United States would receive from the Japanese as a result of the FSX project was questionable at best. For instance, some U.S. corporations already have the composite materials technology that Japan would offer General Dynamics through the program.

The largest concern of opponents to the FSX project was the existing trade deficit between the United States and Japan. These critics felt that rather than build a new aircraft, Japan should obtain the equivalent airplane by buying upgraded F-16s or F-18s from the United States. By purchasing existing American planes instead of attempting to develop the technology independently, the Japanese would reduce the costs of development and shorten the delivery time of the planes, as well as reduce the U.S. trade deficit with Japan.

In addition, Congressional opponents were concerned about setting a precedent for transferring commercially valuable technology to U.S. trading partners for the sake of mutual security. The more recent South Korean proposal to coproduce the F-16 with the United States is but one example of pending cases involving these potentially contentious technology transfers.

To FSX supporters, it was incredibly short sighted for Congress to block the FSX proposal. They argued that a codevelopment project of this nature would benefit both U.S. security and American industry. Instead of the Japanese producing the jet fighter on their own, they would pay the United States to assist them in its development and the U.S. would share any new technology. The royalties from the FSX, in turn, would reimburse the aerospace industry for initial development costs associated with the 1970 vintage F-16. Blocking the deal, proponents stated, would not stop Japan, since it would produce an indigenous jet fighter even if this meant approaching other nations for the necessary technology. With European aerospace industries lobbying for Japanese contracts, the threat of Japan developing the FSX without the U.S. was a viable one and would certainly damage our aerospace industry.

Furthermore, the codevelopment of the FSX would strengthen Japan's defense capabilities in the Western Pacific, enhancing protection against any Soviet invasion of Hokkaido, Japan's northernmost Island. If implemented successfully, the codevelopment of the FSX would have both short-range and medium-range benefits to U.S.-Japan defense cooperation. Based upon the F-16C, the FSX would be more compatible with American aircraft and would lend itself to a more simplified coordination of joint operations and support for communications and fuel.

## SENATE JOINT RESOLUTION 113

In accordance with the provisions of the Arms Export Control Act, President Bush submitted the required "certification" outlining the details of the FSX proposal to the Congress. Although several members of both the House and the Senate sought to block the deal outright, they failed to win over a majority of their colleagues. A strong bipartisan effort developed in support of S.J. Res. 113, a proposal to strengthen the terms of the FSX Agreement. The resolution contained three major elements concerning the U.S.-Japan codevelopment project. It precluded the release of critical U.S. engine technologies that have been the result of American research. Furthermore, the resolution reiterated U.S. statutory prohibitions regarding third party transfers by Japan of U.S. defense technology. Finally, the resolution specified that the United States should obtain at least forty percent of the production work resulting from the FSX.



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On May 16, 1989, the Senate approved S.J. Res. 113 by a vote of 52-47. The House followed suit on June 7, 1989, passing the joint resolution by a margin of 241-168. The resolution was vetoed by the President on July 31, 1989. The motion to override the veto was defeated in the Senate on September 13, 1989, by a vote of 66-34 (one vote less than the two-thirds required), thus allowing the FSX agreement to be implemented according to the Administration's guidelines.

## AFTER FSX

By late 1989 and 1990, Congressional concerns with technology transfers became more varied and complex. There were still those Members who wanted to encourage transfers, as exemplified by the Nunn Amendments. And there were those concerned to protect our defense industrial base, who had urged a stronger review role by the Department of Commerce over DOD's international defense cooperation negotiations. But now with declining defense dollars available for any weapons development, there were Members of Congress who worried primarily about parochial interests such as the defense contractors in their districts. In short, international, national, and purely local concerns could all cause Congress to examine, and to seek to further regulate, international defense cooperation agreements.

Indicative of the interest in encouraging cooperative agreements that would improve the conventional defense capabilities of the United States and its major allies, the Congress revisited the Nunn Amendments in 1989. The Conference Report accompanying the Defense Authorization Act for FY 1990 insisted that the "senior leadership of the Defense Department needs to manage more closely" the process of identifying cases where cooperative research and development projects with allies should be negotiated. In order to put more pressure on the Department, Congress added another reporting requirement. By March 1st of every year, the Department of Defense must now supply to the Speaker of the House of Representative and the Committees on Arms Services and Appropriations in the Senate a report on the status, funding, and schedule of every existing memorandum of understanding, as well as for every proposed project for which no MOU has been entered into but for which funding has been requested in the budget submission of that year.

At the same time, the FY 1990 Act placed greater emphasis on protecting our national defense industrial base by giving the Department of Commerce more authority to comment on pending MOUs, to oppose their completion, and to push the concerns of domestic firms fighting foreign competition. That role is very likely to be further enhanced in the coming year as Congressional demands persist for Commerce to protect America's eroding world trade status.

As for parochial concerns, with defense spending declining there will undoubtedly be hundreds of cases where Members will fight to prevent or continue international cooperative agreements, depending on the needs of their constituents. For example, the DOD decision in its FY 1991 budget submission to cease funding the Mark XV radar IFF project being developed jointly with NATO partners led one Member to demand reconsideration as 250 jobs and \$2 billion for her district were at stake. Rep. Helen Bentley (D-MD) mustered company officials of Allied Signal Aerospace, as well as West German defense officials, to urge the Deputy Defense Secretary in January 1990 to reconsider his decision to cut this program. A similar process will be used to pressure DOD not to fund new cooperative agreements when the result may be to endanger U.S. firms.

## CONCLUSIONS

With a growing appreciation on Capitol Hill that the economic well-being of the United States is highly dependent on its competitive position in the global economy, and with a dramatic

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lessening of the Cold War confrontation in Central Europe, economic concerns have become a major dimension in the Congressional definition of national security. Because such a definition involves the broadest range of economic, foreign policy, and national security interests, codevelopment and coproduction agreements will attract Congressional scrutiny. In the 1990s, the potentially conflicting goal of increasing international arms development arrangements and the rising mood of economic protectionism will frame Congressional consideration of technology transfers. Parochial interests will, as ever with Congress, overhang all considerations and will, depending on varying circumstances, complicate and perhaps shape the legislative decision on international cooperative projects.

While it is always difficult to predict when and to what extent opposition to such an agreement will arise from Congress, recent Capitol Hill battles such as the FSX give us some guidelines. Four factors that will trigger intensified scrutiny of an international defense agreement are:

- the state of trade between the U.S. and the project partner nation;
- the type of technology involved in the transfer;
- the ratio of benefits to costs for each of the two countries; and
- the home state/district concerns of Members of Congress.

The outcome of each issue will be determined on a case-by-case basis as Congress continually attempts to reconcile its conflicting desires to either encourage international defense agreements and increase standardization, or to oppose them and protect our economic well-being and domestic defense industrial base.

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## CONGRESSIONAL REPORTING REQUIREMENTS

### 1. Major Arms Sales or Technology Transfers (FMS)

#### Reporting Requirement Triggered:

- when sale involves major defense equipment valued at \$14 million or more,
- when total sale is valued at \$50 million or more, or
- when commercial technical assistance or manufacturing licensing agreement is entered into with non-NATO country.

#### Report Timing:

- 15 days before implementation when sale or transfer is with NATO ally, Japan, Australia, or New Zealand
- 30 days before implementation when sale or transfer is with non-NATO nation.

#### Report Delivery:\*

President  
(Dept of Defense or  
Dept. of State)

Speaker of  
the House

House Foreign  
Affairs Committee

Senate Foreign  
Relations Committee

\* In practice, the reports have also been delivered to both House and Senate Armed Services Committees and Appropriations Committees

### 2. International Defense Cooperative Project Agreements

#### Reporting Requirement Triggered:

- when codevelopment is involved under the terms of the Nunn Amendments to the Arms Export Control Act.

#### Report Timing:

- 30 days before implementation of any agreement.

#### Report Delivery:

President  
(Dept of Defense )

Speaker of  
the House

House Foreign  
Affairs Committee

Senate Foreign  
Relations Committee

Senate Armed  
Services Committee

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### 3. Cooperative R&D Projects: Allied Countries

#### Reporting Requirement Triggered:

- description of status, funding, and schedule of existing projects for which memoranda of understanding have been entered into.
- description of purpose, funding, and schedule of any new projects proposed to be carried out for which MOUs have not been entered into but for which funds are included in that year's DOD budget request.

#### Report Timing:

- annually by March 1st.

#### Report Delivery:

Under Secretary of  
Defense (Acquisition)

Speaker of  
the House

Senate Armed  
Services Committee

Senate Appropriations  
Committee